

REMARKS

Claim 8 was rejected as anticipated by JOAO et al. 5,878,337. Reconsideration and withdrawal of the rejection are respectfully requested.

Claim 8 is directed to a method in which the responsible card holder is asked whether to authorize a purchase transaction before determining whether an account of the responsible card holder can settle the purchase transaction. JOAO et al. does the opposite and thus claim 8 avoids the rejection.

Claim 8 includes the steps, in order, of reading card information at a payment processing terminal and transmitting the card information and purchase transaction data to a card authentication and settlement processing device where an identity of a responsible card holder and a mobile device address of the responsible card holder are determined based on the card information; then, before determining whether an account of the responsible card holder can settle the purchase transaction, transmitting the purchase transaction data from the card authentication and settlement processing device to the mobile device address of the responsible card holder where a determination is made whether to authorize the purchase transaction and the card authentication and settlement processing device is informed of the determination; and at the card authentication and settlement processing device, if the purchase

transaction is authorized by the mobile device of the responsible card holder, determining whether the account of the responsible card holder can settle the purchase transaction, and informing both the mobile device of the responsible card holder and the payment processing terminal whether the account of the responsible card holder can settle the purchase transaction.

By contrast, JOAO et al. disclose a system in which after (not before) the determination is made whether the account of the responsible card holder can settle the purchase transaction, the purchase transaction data is sent to the responsible card holder (see Figure 3, steps 34 and 37; Figure 6, steps 134 and 138; and Figure 9, steps 234 and 239). Since the reference does not disclose all the limitations of claim 8, claim 8 avoids the rejection under §102.

By way of further explanation, please note the discussion in JOAO et al. at column 5, line 20 through column 6, line 61. The discussion begins by explaining that the first step in JOAO et al. is to process the request at the central processing computer to determine whether the card has been lost, stolen, canceled or deactivated and to determine whether the account has sufficient funds to pay the charge being incurred. It is only after this determination that the method in JOAO et al. communicates with the cardholder (column 6, lines 4-11). This is opposite the invention defined in claim 8 that includes the step of "before determining whether an account of the

responsible card holder can settle the purchase transaction, transmitting the purchase transaction data from the card authentication and settlement processing device to the mobile device address of the responsible card holder," at which time a determination is made whether to authorize the purchase transaction.

Note also that the last paragraph of claim 8 reiterates this difference by providing that "if the purchase transaction is authorized by the mobile device of the responsible card holder, determining whether the account of the responsible card holder can settle the purchase transaction." This is also opposite JOAO et al. wherein the determination is made whether the account of the responsible card holder can settle the purchase transaction before receiving authorization from the responsible card holder.

The Official Action repeats the claim language and points to the same sections of the reference as cited above and thus a determination cannot be made how the reference is being interpreted so as to make the reference relevant to claim 8 in which the steps are in a different order.

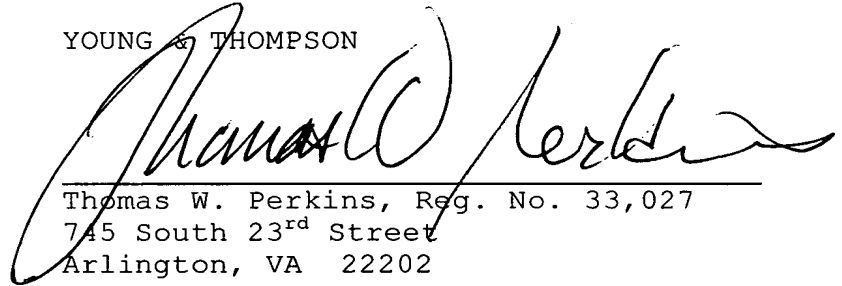
There is also nothing in JOAO et al. that suggests the process described therein may be modified to reverse these steps. All three embodiments use the same steps in the same order. Indeed, the disclosure includes numerous alternative embodiments, but none of the alternative embodiments are relevant to the patentability of claim 8.

In view of the foregoing remarks, it is believed that the present application is in condition for allowance. Reconsideration and allowance are respectfully requested.

The Commissioner is hereby authorized in this, concurrent, and future replies, to charge payment or credit any overpayment to Deposit Account No. 25-0120 for any additional fees required under 37 C.F.R. § 1.16 or under 37 C.F.R. § 1.17.

Respectfully submitted,

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A large, stylized handwritten signature in black ink, appearing to read 'Thomas W. Perkins', is written over the printed name and address.

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